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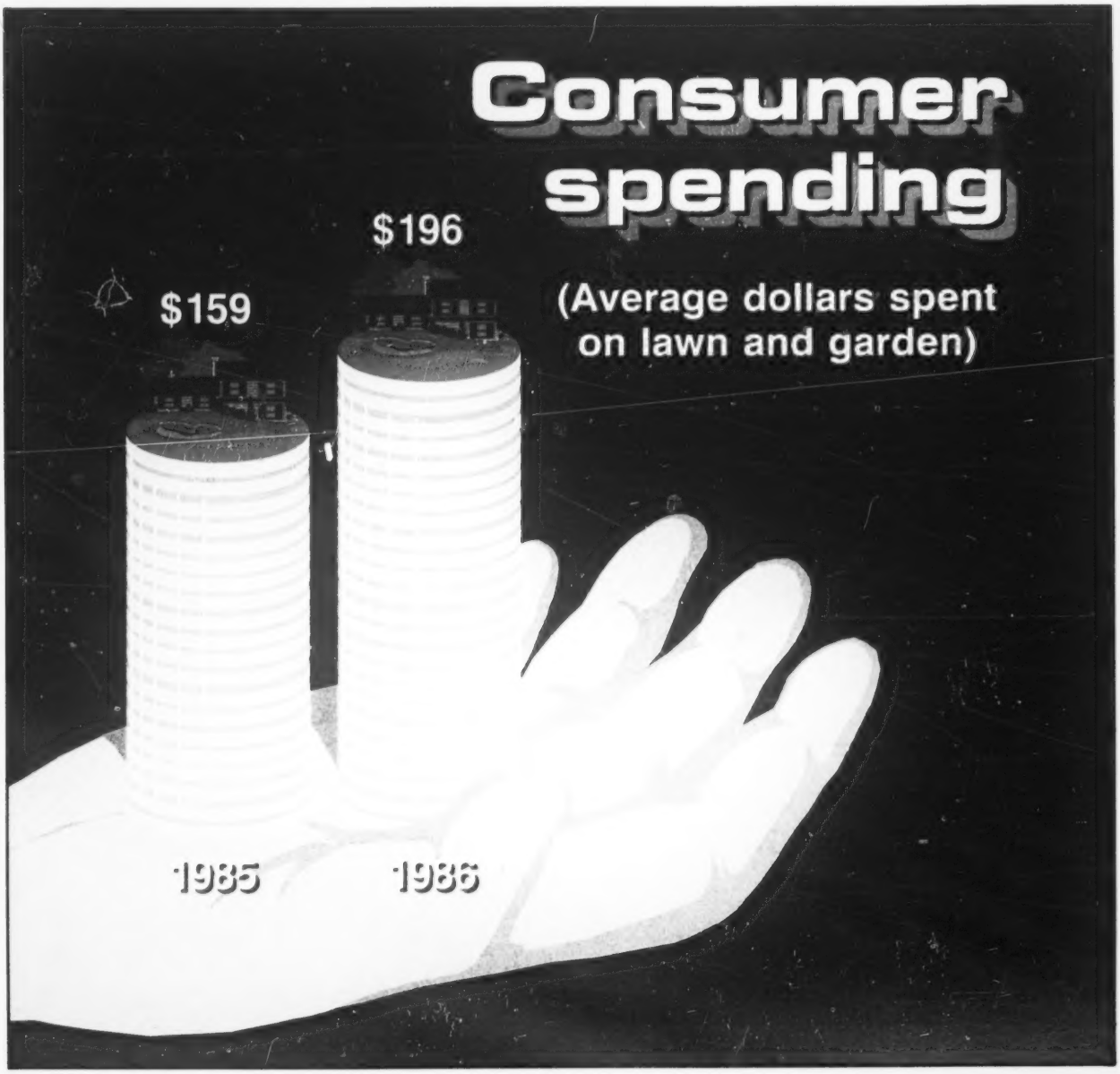
Lawn&Garden Marketing

FEBRUARY 1987

Reports on: Safety in pesticides
Business tax changes • Brand names



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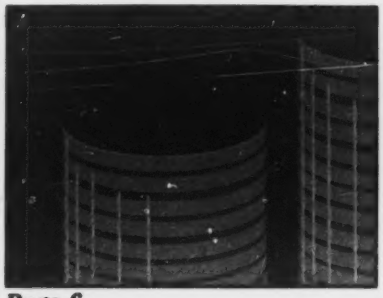

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Consumer spending

A new survey shows average consumer spending on lawn and garden purchases increased significantly in 1986 over 1985.

By Bruce Butterfield, National Gardening Assn.

Retail sales of lawn and garden products for 1986 totaled $14 billion, an increase of 18 percent or $2 billion over 1985 when consumers spent $12 billion according to year-end results of the 1986-87 National Gardening Survey.*

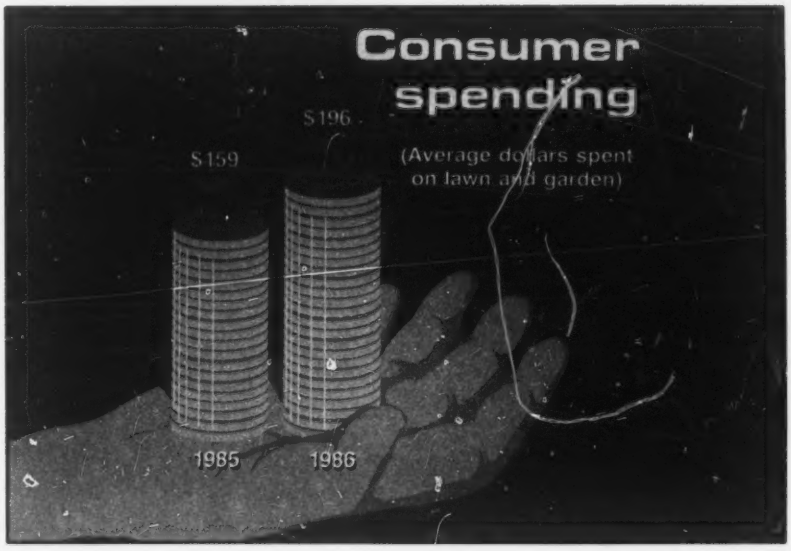
While the number of households participating in most types of lawn and garden activities stayed at about the same level or saw a small increase in the number of households participating over 1985, there was a significant increase in the average amount of money that consumers spent on a majority of 54 percent of activities over the previous year.

The year 1986 also saw the average amount of money that consumers spent in total on lawn and garden activities increase from $159 in 1985 to $196 in 1986.

Increases in the total amount of retail dollar sales in 1986 were seen for lawn care, vegetable gardening, insect control, flower gardening, bulbs, houseplants, fruit trees, landscaping, tree care, ornamentals and berries. The only categories with a decrease in retail dollar sales in 1986 were shrub care and raising transplants. Clearly, 1986 was a very good year for lawn and garden business.

Lawn and garden activities that saw the most growth during 1986 over the previous year included flower bulbs (+57 percent), insect control (+52 percent), vegetable gardening (+43 percent) and fruit trees (+41 percent).

Above average growth in 1986 also was seen for flower gardening (+21 percent) and berries (+22 percent). Indoor



Average $ spent

Activity	1985	1986	Change
		(Dollars)	
Lawn care	80	92	+12
Landscaping	154	145	− 9
Flower gardening	38	41	+ 3
Vegetable gardening	31	41	+10
Tree care	64	61	− 3
Indoor houseplants	23	27	+ 4
Shrub care	42	40	− 2
Insect control	29	36	+ 7
Flower bulbs	21	26	+ 5
Fruit trees	27	38	+11
Raising transplants	32	18	−14
Ornamental gardening	30	46	+16
Growing berries	15	15	0
Container gardening	NA	34	0
Herb gardening	NA	10	0
Total	$159	$196	+$37

Source: National Gardening Assn./Gallup Organization

*Not included in the survey of consumers conducted for the National Gardening Assn. are some product categories which are part of the product mix for many retailers of lawn and garden merchandise; sales of patio, chainsaws, snowthrowers, barbecue and accessories, trim-a-tree and bird feeders and accessories, for example, add billions of dollars to the total consumer spending figure. Provided services and commercial and institutional accounts for lawn and landscaping maintenance equipment are also part of the total market picture for lawn and garden retailers, wholesalers and manufacturers and also are not reflected in the NGA survey.

Retail sales

Activity	1985 $ Bil.	1986 $ Bil.	Change $ Mil.	% Change
Lawn care	3.898	4.317	+419	+10.7
Vegetable gardening	.950	1.363	+413	+43.4
Insect control	.653	.992	+339	+51.9
Flower gardening	1.259	1.519	+260	+20.6
Flower bulbs	.275	.431	+156	+56.7
Indoor houseplants	.706	.826	+120	+16.9
Fruit trees	.271	.382	+111	+40.9
Landscaping	2.125	2.176	+ 51	+ 2.4
Tree care	.795	.845	+ 50	+ 6.3
Ornamental gardening	.146	.166	+ 20	+13.6
Growing berries	.041	.050	+ 9	+21.9
Shrub care	.699	.659	– 40	– 5.7
Raising transplants	.208	.131	– 77	–37.0
Container gardening	NA	.310		
Herb gardening	NA	.039		
Total	$12.026	$14.206	+$2.180 billion	+18.1

Source: National Gardening Assn./Gallup Organization

Product purchases

(Number of households buying)

Product	1985	1986	Change	% Change
	(Millions of households)			
Seeds	34	37	+3	+8
Fertilizer	37	36	–1	–3
Insect controls/chemicals	25	31	+6	+22
Nursery products	25	30	+5	+20
Houseplants & supplies	23	25	+2	+8
Watering equipment	14	19	+5	+34
Garden tools	16	20	+4	+23
Pots/plant containers	19	19	+.4	+2
Soil amendments	15	13	–2	–15
Garden books	6	6	+1	+17

Source: National Gardening Assn./Gallup Organization

houseplants (+17 percent), ornamental gardening (+14 percent), lawn care (+11 percent) and tree care (+6 percent) also had a significant growth in retail sales during 1986.

As you would expect, given the increase in retail dollar sales for lawn and garden activities in 1986, the number of households that purchased lawn and garden products was also up. Eight out of 10 product categories saw an increase in the number of households that purchased those products from 1985 to 1986.

Product categories that saw the biggest increase in the number of households buying in 1986 included insect controls (+6 million), nursery products (+5 million), watering equipment (+5 million), garden tools (+4 million), seeds (+3 million), houseplants and supplies (+2 million), garden books (+900 thousand) and pots or plant containers (+400 thousand).

There was a small decline in the number of households that purchased fertilizer (–1 million) and soil amendments (–2 million) during 1986.

Lawn and garden product categories that saw the most growth in the number of buying households in 1986 over the previous year included watering equipment (+34 percent), garden tools (+23 percent), insect controls/chemicals (+22 percent), nursery products (+20 percent) and garden books (+17 percent). Seeds (+8 percent), houseplants and related supplies (+8 percent) and pots or plant containers (+2 percent) also had significant growth in the number of buying households in 1986.

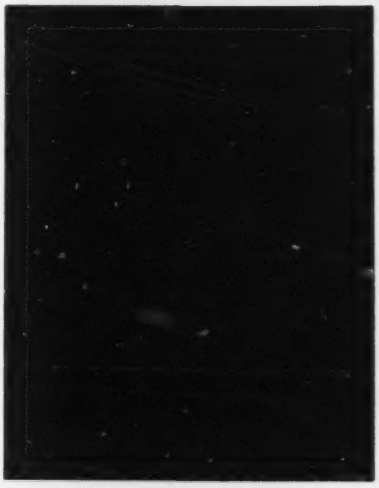
In total, 92 percent of households participating in lawn and garden activities in 1986 purchased one or more products compared with 83 percent in 1985.

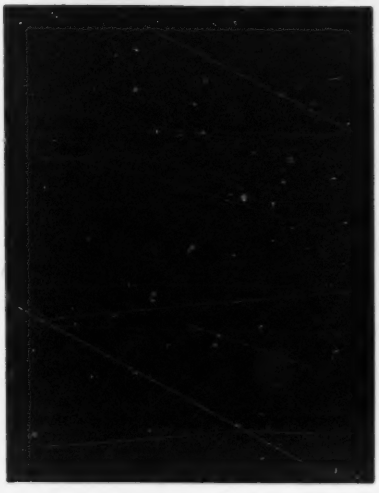
—LGM

The 1986-87 National Gardening Survey, which this article is based on, provides detailed marketing information about the who, what, where, when and why of lawn and garden retail sales. Each year the National Gardening Assn. publishes the results of the Survey in a comprehensive 300-page report. For more information, contact NGA, 180 Flynn Ave., Burlington, VT 05401; (802) 863-1308.

Product Movement Report

Fall 1986





Seven of nine product categories nationally showed steady to increased sales growth according to retailers responding to this *Lawn & Garden Marketing* survey.

Categories in which more retailers indicated sales increases than decreases in fall 1986 were grass seed, lawn tractors and leaf blowers—still a hot item (particularly gas units) and expected to remain so through 1987.

In the West and Northeast, more retailers indicated increases than decreases in sales of grass seed. Reports from retailers predominately in the Northeast and North Central regions, indicate significant increases in sales of lawn tractors and weighed heavily on national totals.

Several categories reflected steady sales nationally: lawn fertilizer, indoor planters and pots, snowthrowers and chainsaws—a particular improvement over the last two years.

However, retailers of chainsaws may simply be selling through current inventory since the Portable Power Equipment Manufacturers Assn. had projected 1986 shipments of chainsaws to be down from 1985. (See "Portable power data," Nov/Dec 1986 *LGM*.)

Nationally, retailers of garden tools reported slight decreases in sales of this line. Retailers both in the Northeast and West regions showed only slight decreases, but the South showed significant decreases in sales.

Results from the latest consumer study by the National Gardening Assn. and the Gallup Organization (see page 6) indicate that flower bulbs showed the most growth of all the product categories measured in their 1986 study. Yet, our product movement report shows that bulb sales were down nationally.

The most likely reason for this discrepancy is that a majority of flower bulbs are sold through mail-order catalog. Retailers may need to be thinking about other ways to attract a greater share of this bulb market.—**LGM**

The fall 1986 survey results were based on 250 responses from three categories of retailers: garden centers, hardware/home centers and power equipment dealers. Respondents were asked to compare sales of product categories in fall 1986 to fall 1985. As a result of rounding, percent of change does not always total the percent carrying the line.